IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No: CHG101144922

Sitting remotely using Microsoft Teams

Date: 1 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2017 Rating List Appeal: challenge against compiled list entry; office and premises; accuracy of rateable value; Lotus & Delta v Culverwell (VO) and Leicester City Council [1976] RA 141*; appeal allowed in part.*

Before:
MRS N CARMAN
MRS AE FIELDER

Between:

PORTLAND HILL ASSET MANAGEMENT LTD — **Appellant**

- and -

NICOLA JOHNSON (VALUATION OFFICER) — **Respondent**

Regarding:
SIXTH FLOOR, 21 KNIGHTSBRIDGE, LONDON SW1X 7LY
(the "subject property")

Mr J Bacon of JMA Chartered Surveyors (as advocate and expert witness on behalf of the appellant)
Ms C Wolff (as advocate and expert witness on behalf of the respondent)

Hearing date: 7 January 2026

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The panel determined a revised rateable value (RV) of £114,000 with effect from 1 April 2017 on the subject property.

STATEMENT OF REASONS

Introduction

3. This appeal had been brought in respect of Sixth Floor, Knightsbridge, London SW1X 7LY(the subject property), which was entered in the 2017 Rating List as 'office and premises' at an RV of £119,000 effective from 1 April 2017.

4. The appellant's Challenge was submitted on 16 October 2023 and sought a reduction in the RV to £73,000 with effect from 1 April 2017. The appeal to this Tribunal was made on 7 August 2025, following the Valuation Officer's (VO) Decision Notice of 25 April 2025 in respect of the subject property.

5. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament was not reasonable.

6. The subject property is a mid-terraced building which consists of serviced offices with a modern reception and lift which operate 24 hours a day. It is located on the south side of Knightsbridge close to Hyde Park Corner. It hsd three underground stations in close proximity and had an ITMS of 229.55m^2.

7. Mr Bacon appeared on behalf of the appellant as both advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC). Mr Bacon confirmed that he was instructed under a contingency fee and he declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that he would comply with this as well as the requirements of his professional body, regardless of whether or not the evidence supported his client's case.

8. The panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and was allowable due to the Tribunal's rules on admissibility of evidence regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial.

9. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

10. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

Issue

11. The issue for the panel to make a finding on was the unadjusted rate for the subject property which is presently £475/m^2 with an addition for air conditioning to £552.50/m^2 leading to an RV of £119,000 is reasonable. The appellant submits that the rate is too high and an RV of £73,000 was reasonable. This was based on an unadopted rate of £475/m^2 with an addition of 5% for the air cooling system and a further 27% allowance as the property was previously domestic.

Relevant Law

12. In arriving at a decision, the panel is governed by rating legislation laid down by Parliament where Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, provides that:

    2(1) The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions—

    (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;
    (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic.
    (c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

13. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

14. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material date is 1 April 2017 being the commencement date of the 2017 rating list.

Discussion

15. The appeal hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2021.

16. The panel turned to the six propositions set down in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 which was binding on this panel. The first two propositions are:

    (1) Where the hereditament which is the subject of consideration is actually let, that rent should be taken as the starting basis.

(2) The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in section 19(6) of the General Rate Act 1967 the more weight should be attached to it. (These statutory requirements now contained in Schedule 6, Para 2 (1) Local Government Finance Act 1988 (as amended by the Rating (Valuation) Act 1999)).

17. The panel was aware that the subject property had a lease dated 24 January 2012 with a rent of £73,160. Based on the total significant area of the subject property being 232.10m^2 the rent analysed to £318.71/m^2. Mr Bacon submitted that this was a new lease between unconnected parties, it was a full FRI lease and had a term of three years. The panel found that as the lease was three years prior to the AVD it was in a different market. As a result the panel was unable to place much weight on this rent. The panel was aware that the rent on a subject property always carries weight under the propositions of *Lotus and Delta.* It is however only ever the starting point for determining the correct value. The valuer must then consider the rent with a basket of evidence of other comparable property rents.

18. The panel therefore turned to the subject property which is currently valued at £475/m^2 with an additional 10% for air conditioning giving a rate of £552.50/m^2. Mr Bacon submitted that the subject property was formerly a flat which had been converted into an office. This he stated meant that it had a lower ceiling and no raised floors unlike the other hereditaments in the same building as the subject property. He was however, when challenged by the panel, unable to provide the height of the ceiling of the subject properties and those of the other floors he was referring to. Mr Bacon referred the panel to the case of the Meadows House in which an end allowance of 27% was given due to the fact it was a converted domestic property. He submitted that in line with that case a 27% end allowance should be added to the RV of the subject property. The panel was aware that Mr Bacon had not provided any evidence of this case, the property and how that differential had been arrived at and so put little weight on this evidence.

19. The panel noted there was a balcony leading off from the subject property in the photographs supplied into evidence. Mr Bacon confirmed that the appellant did not have exclusive occupation of it and it should not therefore be included in the RV. Ms Wolff confirmed that she was also in agreement that the balcony should not be included as it could be accessed by the apartment above.

20. The panel noted that the subject property was in the sought after area of Knightsbridge and close to three underground stations. It was however opposite an under pass and was some distance from the other Knightsbridge comparable properties which were in a superior location. Further it was an older building which had not been refurbished to a Grade A standard and parts of the building were often unoccupied. The panel took into consideration that the subject property was currently valued with a 10% addition for air conditioning. The parties had agreed that the subject property did not have air conditioning but instead had a comfort cooling system. The panel found this agreement would alter the price of the current RV to £498.75/m^2 instead of £552.50/m^2.

21. The panel then turned to the rental evidence in connection with two other properties in the same building as the subject property. They were for First Floor East and First Floor West. First Floor East was for an analysed rent of £324.51/m^2 in 2013 and First Floor West was for an analysed rent of £319.92/m^2 in 2017. Mr Bacon submitted that rents in the same building

as the subject property remained stagnant between 2013 and 2017. Mr Bacon submitted that this supported that the rent at the AVD would be close to that in 2012 lease due to the stagnant market. The panel found it could put little weight on this evidence as it was impossible to be clear if any adjustments may be needed. The panel also found that using only two comparable properties was not strong tonal evidence as both of these rents were too remote from the AVD to carry much weight when taken in isolation.

22. The panel asked the parties what had happened in connection with the subject property once that lease ended which was in January 2015 very close to the AVD. The response was inadmissible as evidence under *The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations* Part 2 paragraph 17 (4) (a) as two weeks' notice of this evidence had not been given to all parties. The panel therefore took no account of it in when coming to its decision.

23. The panel therefore looked to the comparable properties provided by both parties. The third and fourth propositions set out in *Lotus and Delta* were considered by the panel in regard to the comparable properties put into evidence by both parties:

(3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.
(4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the valuation officer. In subsequent proceedings on that list therefore they can be properly be referred to as giving an indication of that opinion.

24. The panel then considered the comparable properties put into evidence by the VO which had leases on or around the same time as the subject property in 2012 and were in the same building. These were floors 4, 3 and 2 in the same building. They had leases which commenced in June and September 2012. The total significant area of them was between 133m^2 and 174.28m^2 whilst the subject property was 232.10m^2. The panel noted that the analysed rent for them was between £223.93/m^2 and £352.87/m^2. The panel was aware that these leases commenced in 2012 and were put into evidence by the VO in relation to the 2012 lease on the subject property. The panel had however already determined to put little weight on the 2012 lease of the subject property and therefore they did not find these comparable property details of any assistance.

25. The panel turned to the other comparable properties put into evidence by the VO:

(1) 1 Knightsbridge which was next door to the Lanesborough Hotel. It is Grade A office accommodation close to the junction with Hyde Park Corner. The unadjusted price for this property was £740/m^2.
(2) 25 Knightsbridge which was refurbished to a very high standard and provides Grade A office space with good natural light and views over Hyde Park. It had a price of £800/m^2.
(3) 27 Knightsbridge a modern prestigious Grade A office space on the first and third floors. It had a price of £725/m^2 slightly less than that of 1 Knightsbridge as it was less prominent.
(4) 207 Sloane Street which was a purpose built office valued at £500/m^2. It had a reception area, boardrooms, meeting rooms and a kitchen.
(5) 58 Knightsbridge was a Victorian building and was the French Embassy.

(6) 60 Knightsbridge which was adjacent to the French Embassy and is the military and cultural affairs office of Kuwait and was valued at £475/m^2

26. The panel noted that the subject property was not a Grade A office space like 1, 27 and 25 Knightsbridge. Ms Wolff conceded under questioning from the panel that they were not comparable to the subject property. The French Embassy and the military and cultural affairs office of Kuwait were located at 58 and 60 Knightsbridge. Ms Wolff again conceded and the panel agreed that these were not comparable with the subject property. This left the panel with 207 Sloane Street. Ms Wolff when questioned agreed that this property was in a much better location and of a higher specification than the subject property. The panel therefore put little weight on any of these comparable properties as a comparable property for the subject property.

27. The panel now turned to the fifth and sixth propositions from *Lotus and Delta*, namely:

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attached to the differing types of evidence depending on the one hand the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.
(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in each circumstance, it would be difficult to reject the evidence of the actual rent.

28. In appeals of this nature the burden of proof was on the appellant to provide evidence to demonstrate that the RV of the subject property was unreasonable. The panel found that neither party had provided strong evidence in connection with the rent on the subject property at the AVD. The appellant had therefore failed to discharge this burden. The panel found that the current RV should be reduced by 10%as it did not have air conditioning but then have 5% added as it did have a comfort cooling system. The panel was therefore satisfied that the current RV for the subject property was reasonable but it required the necessary adjustment in relation to the comfort cooling and therefore allowed the appeal in part.

29. The panel found that the RV for the subject property based on £475/m^2 with a 5% uplift for comfort cooling:

	Area (m^2)	**Factor**	**ITMS**	**Rate (£)**	**Total(£)**
Office	222.60	1	222.6	498.75	111,022
Kitchen	4.40	1	4.40	498.75	2,195
Internal Storage	5.10	0.5	5.10	249.38	1,272
					£114,489
				Say	**£114,000**

Conclusion

30. In view of the above findings and conclusions, the Tribunal is satisfied that the RV for the subject property is £114,000 with effect from 1 April 2017.

31. Accordingly, we order the Valuation Officer to reduce the 2017 Rating List entry to £114,000 Rateable Value, with effect from 1 April 2017, within two weeks of the date of this Order.

32. A refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process

Right of further appeal

33. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

34. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions"* available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mrs N Carman, Senior Member (Chair)
Mrs AE Fielder, Senior Member
1 May 2026 (re-issued 8 April 2026)

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 1 May 2026

Amended decision in accordance with Regulation 39 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 due to a clerical error. Paragraph 29 is amended to substitute "249.38" for "£195". In paragraph 2,30 and 31 "£113,000" is substituted for £114,000".